

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

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| In re | : |
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| LEHMAN BROTHERS HOLDINGS INC., et al., | : |
| | : |
| Debtors. | : |
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Chapter 11 Case No.
08-13555 (JMP)
(Jointly Administered)

**ORDER PURSUANT TO RULE 9019 OF
THE FEDERAL RULES OF BANKRUPTCY PROCEDURE FOR
APPROVAL OF A SETTLEMENT AGREEMENT AMONG ESP FUNDING I,
LTD., U.S. BANK NATIONAL ASSOCIATION AS TRUSTEE, BNP
PARIBAS, NATIXIS FINANCIAL PRODUCTS LLC, LEHMAN BROTHERS
SPECIAL FINANCING INC., AND LEHMAN BROTHERS HOLDINGS INC.**

Upon the motion, dated September 28, 2011 (the “Motion”),¹ of Lehman Brothers Special Financing Inc. (“LBSF”) and its affiliated debtors in the above-referenced chapter 11 cases, including Lehman Brothers Holdings Inc. (“LBHI”) (collectively, the “Debtors”), pursuant to rule 9019 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), for approval of a settlement among ESP Funding I Ltd., U.S. Bank National Association (successor to Bank of America, N.A. (successor by merger to LaSalle Bank National Association)), as Trustee, BNP Paribas, London Branch, Natixis Financial Products LLC, LBSF and LBHI (the “Settlement Agreement”), all as more fully described in the Motion; and the Court having jurisdiction to consider the Motion and the relief requested therein in accordance with 28 U.S.C. §§ 157 and 1334 and the Standing Order M-61 Referring to Bankruptcy Judges for the Southern District of New York Any and All Proceedings Under Title 11, dated July 10, 1984 (Ward, Acting C.J.); and consideration of the Motion and the relief requested therein being a core

¹ Capitalized terms not otherwise defined herein have the meaning ascribed to them in the Motion.

proceeding pursuant to 28 U.S.C. § 157(b); and venue being proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409; and due and proper notice of the Motion having been provided in accordance with the procedures set forth in the amended order entered June 17, 2010 governing case management and administrative procedures [ECF No. 9635] to (i) the United States Trustee for the Southern District of New York; (ii) the attorneys for the Official Committee of Unsecured Creditors; (iii) the Securities and Exchange Commission; (iv) the Internal Revenue Service; (v) the United States Attorney for the Southern District of New York; and (vi) all parties who have requested notice in these chapter 11 cases, the Court having found that U.S. Bank National Association, in its capacity as Trustee (the “Trustee”), provided reasonable notice to noteholders and other secured parties under the Indenture, and it appearing that no other or further notice need be provided; and a hearing having been held to consider the relief requested in the Motion; and the Court having found and determined that the relief sought in the Motion is in the best interests of the Debtors, their estates and creditors, the holders of notes issued by ESP Funding I, Ltd. and all parties in interest and that the legal and factual bases set forth in the Motion establish just cause for the relief granted herein; and after due deliberation and sufficient cause appearing therefor, it is

ORDERED that the Motion is granted; and it is further

ORDERED that, pursuant to Bankruptcy Rule 9019, the Settlement Agreement is approved; and it is further

ORDERED that LBSF and LBHI are authorized to execute, deliver, implement and fully perform any and all obligations, instruments, documents and papers and to take any and all actions reasonably necessary or appropriate to consummate the Settlement Agreement and perform any and all obligations contemplated therein; and it is further

ORDERED that, the Trustee's notice of the Settlement Agreement and the Motion to noteholders and other secured parties under the Indenture is valid and sufficient notice; and it is further

ORDERED that, that all holders of notes issued by ESP Funding I, Ltd. and other secured parties under the Indenture, are bound by, and are deemed to have consented to, the terms of this Order and the Settlement Agreement and are deemed to have directed and instructed U.S. Bank National Association, as Trustee, to execute and perform the Settlement Agreement. Having found the compromises set forth in the Settlement Agreement to be fair and reasonable, the Court finds no bona fide basis for any claims or actions against the Debtors, U.S. Bank, as Trustee or in its individual capacity, or the Issuers of the notes; and the Debtors, U.S. Bank National Association, as Trustee and in its individual capacity, and the Issuers and their respective legal counsel and/or financial advisors shall not have any liability for any claims, demands, suits, actions or causes of action arising out of the Transactions (as defined in the Motion), the Interpleader Action, the Settlement Agreement, or the events giving rise to the Interpleader Action and Settlement Agreement (the "Transactions and Events"). Noteholders and other secured parties under the Indenture shall be forever barred, estopped and permanently enjoined from asserting, prosecuting or otherwise pursuing claims in any way related to the Transactions and Events against the Debtors, U.S. Bank National Association as Trustee or in any capacity, or the Issuers; and it is further

ORDERED that the terms of this Order shall be immediately effective and enforceable upon its entry; and it is further

ORDERED that notice of the Motion as provided therein shall be deemed good and sufficient notice of such Motion; and it is further

ORDERED that this Court retains jurisdiction with respect to all matters arising
from or related to the implementation of this Order.

Dated: New York, New York
October 19, 2011

s/ James M. Peck
UNITED STATES BANKRUPTCY JUDGE